

## Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY SAIGON

INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

TREASURY

USSAGE NKP

CINCPAC

COGARD

XMT AMEMBASSY SUVA

AMEMBASSY RANGOON

UNCLAS STATE 178349

COGARD FOR POLAD

E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: AUGUST 14 EA PRESS SUMMARY

PRES FORD'S EA PROBLEMS

1. IN CATALOG OF PRES FORD'S FOREIGN POLICY PROBLEMS, PHINQ'S MCCARTNEY MENTIONS, INTER ALIA, LOW-LEVEL WAR RAGING IN VN, "NO PEACE" FOUND IN CAMBODIA, AND THAT MUCH-ADVERTISED NEW RELATIONSHIP WITH CHINA APPEARS TO HAVE BOGGED DOWN "FOR REASONS AS YET UNCLEAR."

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2. SENATE DEFENSE APPROPRIATIONS SUBCOMMITTEE RECOMMENDS 5 BILLION DOLLAR SLASH IN THIS YEAR'S DEFENSE BUDGET BELOW ADMIN REQUEST; MCCLELLAN SAYS SUBCOMMITTEE ACCEPTS HOUSE CUT TO 700 MILLION DOLS IN MIL AID TO

SVN (SUN'S CORDDRY; UPI, CHITRIB). SFRC APPROVES 2.5 BILLION DOL FOREIGN ECON AND MIL AID AUTHORIZATION, DOWN 725 MILLION DOLS FROM ADMIN REQUEST. COMPLAINTS ABOUT POLITICAL REPRESSION IN SK INDUCED COMMITTEE TO ORDER 38 MILLION DOL CUT IN MIL AID FROM 153 MILLION DOLS PROVIDED LAST YEAR, AND TO PROPOSE COMPLETE PHASE-OUT OF MIL AID OVER THREE-YEAR PERIOD (WSJ).

NYT'S GELB NOTES NO IMMEDIATE WH REACTION TO SDAS AND SFRC CUTS, SAYS MANY CONGRESSMEN EXPECT PRES

TO URGE CONGRESS RETAIN PRESENT LEVELS. DISCUSSES SFRC REDUCTION IN INDOCHINA ECON AID, FROM ADMIN'S REQUESTED 940 MILLION DOLS TO 550 MILLION DOLS, AND FIRST-EVER SPENDING CEILINGS BY COUNTRY, WITH TOTAL AID TO SVN NOT TO EXCEED 1.28 BILLION DOLS. RECIPIENTS WOULD BE ABLE TO TRANSFER MIL AID TO ECON AID BUT NOT REVERSE. MENTIONS REDUCTION IN MIL AID TO SK FROM 161 MILLION DOLS TO 75 MILLION DOLS.

WP'S RICH REVIEWS CUTS, NOTES SENATE APPROPRIATIONS COMMITTEE WILL TAKE UP DOD BILL ON AUGUST 16, AND SFRC ACTION RESTRICTS AID TO SVN AND SK. SEES SFRC AS "INCREASINGLY HOSTILE" TO AID THAT MAY "BOLSTER DICTATORIAL REGIMES" OR EMBROIL US IN CONTINUED SEA INVOLVEMENT. REPORTS CEILING ON AID TO CAMBODIA SET AT 437 MILLION DOLS COMPARED TO REQUESTED 550.7 MILLION DOLS, AND TO LAOS RESTRICTED TO 100 MILLION THOUGH 143.5 MILLION DOLS REQUESTED; ALL AID TO SK LIMITED TO 120 MILLION (237 MILLION DOLS REQUESTED). IN ADDITION, SFRC CALLS FOR 4000-MAN CEILING ON US DIRECT-HIRE AND CONTRACT PERSONNEL IN SVN IN SIX MONTHS, DROPPING TO 3000 BY JUNE 30, 1975. GIVES BREAKDOWN IN RECOMMENDED 550 MILLION DOLS POSTWAR RECONSTRUCTION FUNDS FOR INDOCHINA: 420 MILLION DOLS FOR SVN, 70 MILLION DOLS FOR CAMBODIA, 45 MILLION UNCLASSIFIED

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DOLS FOR LAOS, AND 15 MILLION UNDESIGNATED.

INDOCHINA

3. NYT ARTICLE SAYS PRES MAY FACE VN DECISION SINCE NVA OFFENSIVE IN SVN MAY BE IN OFFING AND CONGRESS MOVES TO REDUCE US SUPPORT FOR SAIGON. REVIEWS SFRC ACTION, NOTES COMMITTEE ALSO CALLED ON ADMIN TO URGE CHINA AND USSR REDUCE MIL AID TO "ALL PARTIES" IN INDOCHINA AND RESTORE C-F. BEFORE CONGRESS MONDAY, PRES PROMISED SUPPORT FOR "ALLIES AND FRIENDS" IN ASIA, CALLED FOR STRICT OBSERVANCE OF C-F. ARTICLE INTERPRETS PRES' RECORD AS INDICATING STRONG OPPOSITION TO COMMUNIST MIL TAKE-OVER OF SVN,

BUT THAT HE WOULD "WORK HARD" TO AVOID DIRECT US MIL INVOLVEMENT. INFORMED OFFICIALS BELIEVE HE IS CERTAIN TO TRY RESTORE MIL AID CUTS. HAK "SAID TO BE SAYING" THAT HANOI MIGHT BE USING TRANSITION IN WASHINGTON TO TEST US RESOLVE, THOUGH WORKING-LEVEL OFFICIALS NOTE THIS IS DRY SEASON IN NORTHERN SVN, USUAL TIME FOR OFFENSIVES THERE. SOME OFFICIALS BELIEVE HANOI WILL STEP UP ACTION IN OTHER REGIONS, BUT TO BELOW PRE-C-F LEVEL. BOTH SIDES STRONGER, BUT NVA HAS BUILT UP HEAVY WEAPONS AND RECENTLY US MIL MEN TELL JOURNALISTS ABOUT POSSIBLE GVN AM SHORTAGE.

4. WIDESPREAD SKIRMISHING

REPORTED THROUGHOUT SVN (GLOBE).

MIL SOURCES SAY BIEN HOA AIR BASE HIT BY ROCKETS FOR FOURTH STRAIGHT DAY (GLOBE; WP; CHITRIB; UPI, BALTO N-A 8/13; NY POST 8/13).

5. SHARBUTT (NY POST 8/13) REPORTS NBC-TV NEXT MONTH MAY AIR QUARTET OF 60-MINUTE SHOWS ON SVN FOR "UNLIKELY SHOWCASE" - TOM SNYDER'S TOMORROW PROGRAM. SHOWS WILL BE TAPED THERE TO SHOW WHAT SVN IS LIKE ONE YEAR AFTER US FORCES PULLED OUT, BUT IT DEPENDS ON HOW MUCH FIGHTING IS GOING ON. SNYDER, WHO VISITED SVN IN 1967, ALSO HOPES TO INTERVIEW THIEU. UNCLASSIFIED

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6. GKR HIGH COMMAND SAYS FANK HAS KILLED 23 REBELS IN CLASHES NEAR PREY VENG (WP). ABOUT 75 WAR WIDOWS, SOME CARRYING INFANTS, GO TO US EMBASSY IN PP ASKING FOR SIX-MONTHS-OVERDUE DEATH BENEFITS. CONTEND OFFICIAL AT WAR VETS' OFFICE SAID THERE IS NO MORE MONEY AND TO GET PAID QUICKLY, "GO TO THE AMERICANS." EMBASSY OFFICIAL SAYS MINISTRY OF FINANCE HAS NOT YET HAD L974 BUDGET APPROVED BY NATL ASSEMBLY; HOPES GKR WILL PUSH THROUGH ALLOCATION FOR VETS' BENEFITS THIS WEEK (NY POST 8/13).

KOREA

7. PRES. FORD NOMINATES EA DEPUTY ASSISTANT SECRETARY SNEIDER AS US AMBASSADOR TO ROK (UPI, CHITRIB). NYT STORY SAYS NOMINATION WAS NOT UNEXPECTED, SINCE SNEIDER WAS RESPONSIBLE FOR KOREAN AFFAIRS, AMONG OTHER THINGS, IN HIS CURRENT POST. ADDS THAT, ASSUMING SENATE CONFIRMATION, SNEIDER WILL ARRIVE IN SK AT "DELICATE TIME IN RELATIONS" WHEN ADMIN HAS COME UNDER SOME CONGRESSIONAL PRESSURE TO CUT BACK MIL AID BECAUSE OF PARK'S CRACKDOWN ON POLITICAL DISSIDENTS.

8. SK COURT-MARTIAL ANNOUNCES THAT AMONG 13 MORE WHO HAVE

BEEN SENTENCED FOR DEFYING PARK GOVT, ONE IS PRISON GUARD GIVEN SEVEN YEARS FOR HAVING TRIED TO SMUGGLE STUDENT'S LETTER OUT OF PRISON (UPI CHITRIB, BALTIMORE 8/13; CSM, NYT, WP, NYPOST 8/13).

9. NYT (SEOUL), CITING NATIONAL DEFENSE MINISTRY SPOKESMAN'S STATEMENT THAT CURRENT SERIES OF TRIALS WILL BE OVER SHORTLY, CONTENDS THAT WHILE SPOKESMAN REFUSED TO SAY WHY, IT SEEMED APPARENT GOVT IS RUNNING OUT OF CASES; MOREOVER, ONE OF PARK'S FAVORITE TACTICS HAS BEEN TO CRACK DOWN ON OPPONENTS AND THEN EASE OFF WHEN HE FEELS LESSON HAS BEEN LEARNED.

IN ADDITION, SOME DIPLOMATS THINK ROKG HAS BECOME AWARE OF INTERNATIONAL CRITICISM --PARTICULARLY DEMANDS BY SEVERAL US CONGRESSMEN AND ASIA EXPERTS UNCLASSIFIED

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FOR REDUCTIONS IN US AID AND WITHDRAWAL OF US FORCES TO SHOW DISAPPROVAL OF SUPPRESSION OF POLITICAL ACTIVITY. CITES ALSO "UNUSUAL" PROTEST BY FRENCH ENVOY TO FM KIM OVER BISHOP CHI SENTENCING.

10. LAT'S JAMESON (AUG. 13), IN SEOUL, CITES "LENIENT JUDGMENT" PASSED ON YUN PO SUN; BUT MAINTAINS THAT, ACCORDING "RELIABLE SOURCE", AFTER SENTENCING YUN WAS STILL BEING HELD UNDER HOUSE ARREST.

11. NYT'S HALLORAN HAS STORY ABOUT BATTLE OF MIDDLE-AGED KOREAN WOMAN TO SAVE HER SON, WHO HAS BEEN SENTENCED UNDER PARK DECREE FOR ANTI-GOVT ACTIVITIES.

12. AP (SAN JOSE) REPORTS NK TRADE MISSION HAS BEEN ORDERED TO LEAVE COSTA RICA BECAUSE THAT GOVT HAS NO DESIRE TO HAVE NK EMBASSY THERE (S-N, 8/13)

JAPAN

13. JOC'S CULLISON IN TOKYO CREDITS JAPANESE EFFORTS TO ARRANGE FORD-TANAKA MEETING TO GOJ FEARS THAT FORD'S ASSUMPTION OF PRESIDENCY MAY LEAD TO REVIVAL OF AMERICAN TRADE PROTECTIONISM AND NEO-ISOLATIONISM. BUT TOKYO PLEASED BY PROMINENT TREATMENT GIVEN YASUKAWA BY PRIVATE MEETING WITH FORD AND HAK AND BY HAK'S MESSAGE THAT US POLICY OF CLOSE PARTNERSHIP WITH JAPAN WILL BE CONTINUED AND STRENGTHENED (8/13).

14. IN ANOTHER ARTICLE, CULLISON REPORTS VOLUNTARY RESTRAINTS ON JAPANESE STEEL EXPORTS TO US AND EEC ARE TO BE DISCONTINUED AT END OF YEAR. NO OBJECTIONS TO ENDING QUOTA SYSTEM SAID TO HAVE COME FROM EITHER US OR EEC NATIONS (8/13).

15. MITI ANNOUNCES IRAQI-JAPANESE AGREEMENT FOR BROAD TECHNICAL AND ECONOMIC COOPERATION WILL BE SIGNED FRIDAY. UNDER AGREEMENT, JAPAN WILL EXTEND YEN CREDIT WORTH BILLION DOLS FOR CONSTRUCTION OF REFINERY AND CEMENT AND NATURAL GAS PLANTS IN IRAQ. IN EXCHANGE, IRAQ WILL SUPPLY CRUDE OIL  
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ON LONG TERM BASIS. MEANWHILE, TWO JAPANESE OIL FIRMS ARE NOW NEGOTIATING IN TEHERAN FOR PURCHASE OF CRUDE FROM NIOC (JOC).

16. HONDA WILL BEGIN SHIPPING LOW POLLUTION SUB-COMPACT CAR TO US BY END OF OCTOBER. SAYS CAR SATISFIES ALL US EMISSION STANDARDS, INCLUDING TOUGH CALIF. CONTROLS (UPI, JOC 8/13).

AUSTRALIA

17. TRADE UNIONS BLOCK YOUNG RUSSIAN VIOLINIST'S DEPARTURE FOR SECOND TIME AFTER REPORTER FOR AUSTRALIAN BROADCASTING COMMISSION PRODUCED TAPE OF INTERVIEW IN WHICH ERMOLENKO CLAIMED TO HAVE AFFIRMED HE IS LEAVING UNDER DURESS (CHITRIB, WP, GLOBE).

18. CREAN ANNOUNCES DECISION REMOVING MAJOR OBSTACLE TO FOREIGN FINANCE ENTERING AUSTRALIA, IN MOVE TO EASE CREDIT SQUEEZE. REQUIRED DEPOSIT ON LOANS FROM OVERSEAS FUNDS REDUCED FROM 25 TO 5 PER CENT (LAT, NY POST 8/13).

19. CAIRNS SAYS OVERSEAS TRADING ORGANIZATION TO FOSTER TRADE WITH CENTRALLY PLANNED ECONOMIES WILL BE ESTABLISHED. ORGANIZATION ALSO EXPECTED TO ASSIST BUILDING TRADE WITH DEVELOPING NATIONS (JOC 8/13).

20. JOC'S STOVE SAYS NEXT FEW MONTHS CRUCIAL FOR FUTURE OF AUSTRALIAN LEYLAND OPERATIONS. DECISION MUST BE MADE WHETHER TO CONTINUE MANUFACTURING CARS AGAINST STEEP OBSTACLES, OR RESTRICT OPERATIONS TO MARKETING VEHICLES ASSEMBLED COMPLETELY FROM IMPORTED PARTS (8/13).

21. COMMONWEALTH SECRETARIAT REPORTS AUSTRALIAN BEEF AND VEAL PRODUCTION DOWN FROM '73 LEVEL FOR FOURTH CONSECUTIVE MONTH (JOC 8/3).

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INDONESIA

22. WP'S GREENWAY, IN JAKARTA, REPORTS ON INDONESIA POLITICAL REPRESSION. TRIAL OF STUDENT LEADER HARIMAN SIREGAR, CHARGED WITH SUBVERSION PUNISHABLE BY DEATH, AROUSING MORE THAN USUAL INTEREST BECAUSE IT IS FIRST OF POLITICAL TRIALS GOVT SAID WOULD

FOLLOW JAN. RIOTS. KOPKAMTIB ARRESTED 800 IN RIOTS' WAKE, INCLUDING LAWYERS, STUDENTS, WRITERS, OTHER INTELLECTUALS, AND SOCIALISTS; MOST RELEASED IN DAYS FOLLOWING. SPOKESMAN FOR ATTORNEY GENERAL SAYS 42 HELD AWAITING TRIAL, BUT WOULD NEITHER CONFIRM NOR DENY WHETHER OTHERS STILL BEING HELD BY KOPKAMTIB IN ITS CHAIN OF PRISON CAMPS.

GOI ADMITS HOLDING 35,000 PRISONERS ASSOCIATED WITH 1965 COUP ATTEMPT; LONDON-BASED AMNESTY INTERNATIONAL SAYS FIGURE MORE LIKELY 55,000. GOVT VIGOROUSLY DENIES WIDESPREAD RUMORS THAT PRISONERS USED ON FORCED LABOR PROJECTS.

GENERAL

23. WP'S JACK ANDERSON, CBS' CONNIE CHUNG ARE AMONG WASHINGTON GROUP WHO HAVE FILED APPLICATION FOR NEW NATIONAL BANK IN CAPITAL (DIPLOMAT NATIONAL BANK) AIMED AT ASIAN-AMERICAN COMMUNITY. ORGANIZING GROUP AND OTHERS HAVE BEEN TALKING OF NEED FOR NEW BANK OVER PAST YEAR TO PROVIDE SPECIALIZED SERVICES TO SOME 200,000 PERSONS EACH YEAR FROM KOREA, CHINA, PHILS, JAPAN AND OTHER EA NATIONS -- STUDENTS, PERMANENT RESIDENTS, TRANSIENTS AND TOURISTS (WP'S WM. JONES).

COMMENT AND ANALYSIS

KOREA

24. IN CONTEXT RECENT SENTENCING OF KOREANS FOR POLITICAL DISSENT, PHINQ SAYS: "AS THE NEW ORDER UNCLASSIFIED

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TAKES HOLD IN WASHINGTON, FREE PEOPLE THROUGHOUT THE WORLD - AND IN AMERICA - WILL LOOK TO THE FORD ADMINISTRATION FOR SUBSTANTIAL INDICATIONS OF ITS MORAL LEADERSHIP. THEY WILL ALSO LOOK TO THE REPRESSION IN SOUTH KOREA, WHERE THE US HAS GREAT, IF HITHERTO LITTLE USED, INFLUENCE."

25. WSJ EXPRESSES VIEW THAT IN ORDER TO MAKE SENSE

OF OUR MIL AID PROGRAM, IN KOREA OR ELSEWHERE,  
IT IS IMPORTANT TO LEAVE ASIDE TALK ABOUT DEMOCRACY  
AND ASK WHETHER SUCH ASSISTANCE IS IN US SELF-INTEREST.  
CONCURS WITH HAK'S VIEWS EXPRESSED TO SENATE APPROPRIATIONS  
SUBCOMMITTEE THAT WASHINGTON DOES NOT RECOMMEND  
SEOUL'S DOMESTIC POLICY, BUT BELIEVES WE HAVE NATIONAL  
INTEREST IN WHAT HAPPENS THERE. SAYS CRITICS MAY

SCORN SUCH TALK AS NEW DOMINO THEORY, BUT SK'S  
POLITICAL AND MIL STABILITY IS IMPORTANT TO FUTURE  
OF JAPAN AND EA. THUS, US AID TO SK REPRESENTS  
INVESTMENT IN ASIAN SECURITY, NOT IN PARK. HOWEVER,  
WSJ DECLARES, THIS SHOULD NOT RULE OUT POSSIBLE  
SYMBOLIC CUTBACK IN AID OR TOKEN WITHDRAWAL OF  
US TROOPS. CONCLUDES IT WOULD BE FOOLISH TO EXPECT  
MODEL DEMOCRACY IN RETURN FOR OUR AID INVESTMENT,  
BUT US HAS RIGHT AND OBLIGATION TO PROTEST SEOUL'S  
VIOLATION OF CIVIL AND HUMAN RIGHTS.

JAPAN

26. CHITRIB'S KIRK IN HIROSHIMA WRITES ABOUT THOUSANDS  
OF KOREAN SURVIVORS OF HIROSHIMA-NAGASAKI ATOMIC  
BLASTS WHO ARE STILL FIGHTING TO GET OFFICIAL RECOGNITION  
AS BLAST "VICTIMS." NOTES KOREANS CAME TO HIROSHIMA  
AS DE FACTO SLAVE LABORERS DURING WWII, AND JAPANESE  
ATTITUDE TOWARD KOREANS SEEMS PREDICATED AT LEAST  
IN PART ON ETHNIC PREJUDICE. ACCORDING KOREANS,  
MOST OBVIOUS INDICATION OF THIS IS PERSISTENT REFUSAL  
OF JAPANESE AUTHORITIES TO ISSUE "VICTIMS' CERTIFICATES" --  
DOCUMENTS ROUTINELY ISSUED EVERY JAPANESE SUFFERER --  
AFFIRMING THEY WERE WOUNDED IN EXPLOSION AND, THEREFORE,  
ARE ELIGIBLE FOR BENEFITS (PHINQ).

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AUSTRALIA

27. IN ARTICLE DATELINED SYDNEY, LAT'S DAVID LAMB  
(AUG 13) WRITES ABOUT AUSSIE WORKERS SUFFERING  
MALAISE - CALLED SICKIE - THAT HAS BECOME EPIDEMIC  
IN INDUSTRY. UNAUTHORIZED ABSENCES FROM WORK,  
SICKIES USUALLY STRIKE WHEN WEATHER IS PARTICULARLY  
PLEASANT, WHEN HANGOVERS ARE ESPECIALLY PAINFUL,  
WHEN RANDWICK IS STAGING BIG RACE OR WHEN AN AUNT  
IS HAVING FUNERAL. LAMB CITES GOODYEAR AS TYPICAL  
CASE WHERE ANNUAL TURNOVER RATE AMONG 1,650 EMPLOYEES  
AT GRANDVILLE PLANT IS 60 PERCENT. MANY AS 140  
DO NOT SHOW UP FOR WORK SOME DAYS AND 80 PERCENT  
OF WORKERS TAKE ALL THEIR 8 PAID SICK-LEAVE DAYS  
EACH YEAR. GOODYEAR SPOKESMAN SUMMARIZED WHOLE  
PROBLEM IN ONE WORD - AFFLUENCE. LAMB REPORTS  
GOODYEAR GIVING MATERIAL INDUCEMENTS TO ENCOURAGE

MEN WHO COME TO WORK.

SAYS WITH AUSTRALIA ENDURING DAILY CRIPPLING LABOR STRIKES AND COMMUNIST PARTY ATTEMPTING TO ORGANIZE NATIONAL WORK STOPPAGE FOR ITS "SPRING OFFENSIVE," NATION IS HEADING TOWARD WHAT TO MANY OBSERVERS IS

CRISIS POINT. GOA HAS SHOWN LITTLE LEADERSHIP IN RESTORING INDUSTRIAL PEACE EXCEPT TO NEGOTIATE SETTLEMENT WITH FRANK SINATRA SO HIS CONCERT TOUR LAST MONTH COULD BE COMPLETED.

28. CSM'S OKA IN PARABURDOO WRITES FEATURE ARTICLE ON DEVELOPMENT OF IRON MINING AT PILBARA REGION.

GENERAL

28. IN ITEM DATELINED PANMUNJOM, LAT'S ELEGANT (AUG 11) ANALYZES REACTION TO NIXON RESIGNATION FROM ASIAN VANTAGE POINT. SAYS NIXON'S DEPARTURE WILL WEAKEN CHOU IN PRC INTERNAL POWER-STRUGGLE. SENIOR "CADRES" OF GOVT AND CCP ARE UNDOUBTEDLY PONDERING WISDOM OF CHOU'S POLICY, WHICH BASED ON AN UNDERSTANDING UNCLASSIFIED

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WITH MAN WHO COULD NOT EVEN RETAIN WORLD'S MOST POWERFUL OFFICE; THEIR DOUBTS COULD SEVERELY LIMIT CHOU'S FREEDOM OF MANEUVER. FROM CHINESE AND AMERICAN VIEWPOINTS, ACCORDING ELEGANT, SINO-US QUASI ALLIANCE MAY ALREADY HAVE PASSED ITS MOMENT OF GREATEST USEFULNESS, FOR UNLESS CHINESE FEEL US REMAINS MAJOR POWER IN ASIA, THEY SEE LITTLE VALUE IN CONTINUING COOPERATION.

RE VN, ELEGANT SEES NO PROSPECT OF RENEWED US INTERVENTION IN EVENT OF MASSIVE DETERIORATION IN SAIGON'S POSITION; REVULSION OF US PUBLIC OPINION AGAINST VN WAR MAKES INTERVENTION IMPOSSIBLE. HOWEVER, MASSIVE DETERIORATION COULD ALTER PRESENT CHINESE ATTITUDE. HAVING PRESSED HANOI TO MODERATE ITS ORIGINALLY IMPOSSIBLE PEACE TERMS, PEKING IS COMMITTED TO STATUS QUO IN INDOCHINA. BUT IF SAIGON REGIME SHOULD BE BATTERED INTO COLLAPSE, PEKING WOULD BE FORCED TO REASSESS ITS POSITION. PRC DOES NOT WISH TO SEE CREATION OF STRONG BLOC IN SEA DOMINATED BY NVN, BUT IF SUCH BLOC APPEARS INEVITABLE, THEY CERTAINLY WOULD NOT WISH IT TO BE HOSTILE TO THEMSELVES.

NOTES JAPAN HAS BEEN BADLY SHAKEN BY WASHINGTON'S POLICIES, PARTICULARLY "STEALTHY" APPROACH TO PRC. JAPANESE NOW SEEKING ALTERNATIVES TO THEIR INTIMATE ECON AND MIL COOPERATION WITH US. FEW OPTIONS OPEN TO THEM,



EXCEPT DUBIOUS POSSIBILITY OF COOPERATION WITH PEKING.  
NONETHELESS, DYNAMIC JAPAN'S UNEASINESS THREATENS  
ASIAN STATUS QUO.

29. CONCLUDES THAT IF PRES FORD MOVES RAPIDLY, HE CAN  
PROBABLY SALVAGE MUCH OF PRESTIGE US LOST BECAUSE  
OF SCANDAL AND BUCKERING; IF HE DOES NOT, ASIANS  
WILL BE LEFT WITH IMPRESSION US SUFFERS THROUGH  
FUNDAMENTAL WEAKNESS. KISSINGER

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## Message Attributes

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BIEN HOA  
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